

VZCZCXRO5168  
OO RUEHFK RUEHGH RUEHKS RUEHNH  
DE RUEHKO #1106 1350813  
ZNR UUUUU ZZH  
O 150813Z MAY 09  
FM AMEMBASSY TOKYO  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 2978  
INFO RUEHBJ/AMEMBASSY BEIJING 9271  
RUEHUL/AMEMBASSY SEOUL 5289  
RUEHFR/AMEMBASSY PARIS 6524  
RUEHKS/AMCONSUL SAPPORO 4528  
RUEHOK/AMCONSUL OSAKA KOBE 7799  
RUEHFK/AMCONSUL FUKUOKA 3997  
RUEHNH/AMCONSUL NAHA 6327  
RUEHGH/AMCONSUL SHANGHAI 0588  
RUEHHK/AMCONSUL HONG KONG 6774  
RHEHAAA/NSC WASHDC  
RUEHBS/USEU BRUSSELS  
RUEATRS/TREASURY DEPT WASHDC  
RUCPDO/DEPT OF COMMERCE WASHINGTON DC

UNCLAS TOKYO 001106

SENSITIVE  
SIPDIS

USTR FOR AUSTR CUTLER, BEEMAN, AND HOLLOWAY  
NSC FOR LOI  
TREASURY FOR IA/WINSHIP AND FOSTER  
PARIS FOR USOECD

E.O. 12958: N/A  
TAGS: [EFIN](#) [ECON](#) [PGOV](#) [JA](#)  
SUBJECT: OPPOSITION PARLIAMENTARIANS INDICT JAPAN POST CEO

REF: A. TOKYO 1091  
[1](#)B. TOKYO 781

Sensitive But Unclassified. Not for Internet Distribution.

[1](#)1. (U) Twelve Diet members from the opposition Democratic Party of Japan (DPJ), the People's New Party (PNP), and the Social Democratic Party (SDP) submitted a third-party criminal indictment of Japan Post Holdings CEO Yoshifumi Nishikawa to the Tokyo District Public Prosecutor's Office May 15, according to media reports. The indictment is for "attempted special breach of trust," based on the claim Nishikawa "tried to inflict losses on Japan Post Holdings" through the sell-off of hotel chain ("Kampo no Yado") at an "unfair low price."

[1](#)2. (SBU) A DPJ official confirmed to the Embassy an indictment was filed, but stressed the indictment came from individual members and not from the party as a whole. The official would not confirm the number or identities of the Diet members who signed the indictment. (Note: The small People's New Party is composed entirely of parliamentarians expelled from the ruling LDP for opposing postal privatization, and stopping or reversing privatization is the PNP's animating policy. The PNP is currently allied with the DPJ. End note.)

[1](#)3. (U) Minister of Internal Affairs and Communications Kunio Hatoyama (LDP) has criticized Japan Post Holding's (JPH) efforts to sell "Kampo no Yado." Under the postal privatization laws passed in 2005, JPH is required to sell off the hotel chain by September 2012. However, after Japan Post Holdings concluded a contract to sell "Kampo no Yado" with the Orix Real Estate Corporation in late 2008, Hatoyama publicly accused JPH of improper bidding practices and engaging in a "fire sale" (ref B).

[1](#)4. (SBU) There has also been significant media speculation that the resulting conflict between MIC Minister Hatoyama and CEO Nishikawa would result in Nishikawa's being forced out (ref A). The opposition members who filed the indictment reportedly also asked for Minister Hatoyama to remove Nishikawa from his position.

15. (SBU) Comment: The DPJ is well aware postal privatization remains a lightning rod within the LDP. The indictment, and any resulting personnel changes, could roil both the process and the ruling party.  
ZUMWALT